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AGRICULTURAL COMMODITIES

Agreement Between the
UNITED STATES OF AMERICA
and EGYPT

Signed at Cairo January 23, 1984

and

Amending Agreements
Effected by Exchange of Notes
Signed at Cairo April 19 and May 3, 1984

And Exchange of Letters
Signed at Washington August 2, 1984

S9.10:

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NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

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EGYPT

Agricultural Commodities

Agreement signed at Cairo January 23, 1984;
Entered into force January 23, 1984.
And amending agreements
Effected by exchange of notes
Signed at Cairo April 19 and May 3, 1984;
Entered into force May 3, 1984.
And exchange of letters
Signed at Washington August 2, 1984;
Entered into force August 2, 1984.

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT FOR THE SALE OF AGRICULTURAL COMMODITIES

The Government of the United States of America and the Government of the Arab Republic of Egypt agree to the sale of agricultural commodities specified below. This agreement shall consist of the preamble and Parts I and III of the Agreement signed June 7, 1974,[1] together with the following Part II:

PART II. PARTICULAR PROVISIONS

Item I. COMMODITY TABLE:

Commodity	Supply Period (U.S. FY)	Approximate Quantity (MT)	Maximum Export Market Value (Dols. Million)
Wheat	1984	1,110,000	160.0
Wheat Flour (Grain Equivalent Basis)	1984	435,000	90.0
TOTAL		1,545,000	250.0

Item II. PAYMENT TERMS: Convertible Local Currency Credit (CLCC)

A. Initial Payment - Five (5) percent.

B. Currency Use Payment - Nine (9) percent.

C. Number of Installment Payments - Thirty-one (31)

D. Amount of Each Installment Payment - Approximately equal annual amounts.

E. Due Date of the First Installment Payment - Ten (10) years after date of the last delivery of commodities in each calendar year.

F. Initial Interest Rate - Two (2) percent.

G. Continuing Interest Rate - Three (3) percent.

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[1] TIAS 7855; 25 UST 1245.

Item III. USUAL MARKETING TABLE:

Commodity	Import Period (U.S. FY)	Usual Marketing Requirement (MT)
Wheat/Wheat Flour (Grain Equivalent Basis)	1984	3.5 million

Item IV. EXPORT LIMITATIONS:

A. Export Limitation Period:

The export limitation period shall be United States fiscal year 1984, or any subsequent United States fiscal year during which commodities financed under this agreement are being imported or utilized.

B. Commodities to which Export Limitations Apply:

For the purposes of Part I, Article III, A (4) of this agreement, the commodities which may not be exported are: wheat, wheat flour, rolled wheat, semolina, farina or bulgar (or the same product under a different name).

Item. V. SELF-HELP MEASURES:

A. The Government of Egypt agrees to undertake self-help measures to improve the production, storage, and distribution of agricultural commodities. The following self-help measures shall be implemented to contribute directly to development progress in low-income rural areas and enable small farmers to participate actively in increasing the productivity of Egyptian agriculture.

B. The Government of Egypt agrees to undertake the following activities and in doing so to provide adequate financial, technical, and managerial resources for their implementation:

1. To improve the structure of prices and farm production incentives by increasing producer prices for export crops for which Egypt has been determined to have a strong international comparative advantage - including cotton, rice, onions, groundnuts, and oranges. Procurement prices for these crops and for wheat grain are intended to be increased steadily toward world market levels.

2. To reduce subsidies for maize and beef that are marketed through public sector outlets and to increase the percentages of imported maize and beef that are marketed through the private sector.

3. To adjust prices for nitrogen and phosphate fertilizer sold by the Ministry of Agriculture to the cooperatives, moving them toward world market levels. In order to maintain appropriate incentives for Egyptian farmers, the increase in fertilizer prices is intended to parallel the increase in Government of Egypt procurement prices for the crops indicated in Section B.1 above.

4. To encourage an increased percentage share for the private sector in the domestic marketing and distribution of fertilizer. The objective of this activity is that all fertilizer and other chemical inputs recommended by agricultural research, and approved by appropriate regulatory authorities for safety, health, and environment, should be freely available to farmers from public and private sources.

5. To continue studies by the Government of Egypt of the budgetary, nutritional, and other impacts of possible steps to reduce eligibility for subsidized commodities and to adjust their prices. In addition, the Government of Egypt intends to implement changes in the ration card system in order to reduce total food subsidies.

6. To undertake production campaigns, using subject matter specialists and introducing improved production technologies, to increase the effectiveness of the agricultural extension service.

C. For the purpose of correcting distortions in the structure of prices for farm outputs and inputs, particularly as described in B.1 and B.3 above, the Government of Egypt accepts the objective of bringing domestic prices into alignment with world market prices by the end of the current Five Year Plan in 1987. Periodic consultations will be held

between representatives of the Governments of Egypt and the United States to assess progress toward that objective.

D. The Government of Egypt agrees to provide the U.S. Mission in Cairo by August 31, 1984, a self-help report containing statistical tables, a summary of policy changes, and an analysis of actual developments relating to Items B.1 through B.6, above. The contents of that report will be agreed in a side memorandum of understanding to be signed subsequently.

Item VI. ECONOMIC DEVELOPMENT PURPOSES FOR WHICH PROCEEDS ACCRUING TO IMPORTING COUNTRY ARE TO BE USED:

A. The proceeds accruing to the Government of Egypt from the sale of commodities financed under this agreement will be used for financing the self-help measures set forth in the agreement, and for development in the agriculture and rural development sector, in a manner designed to ensure access of the poor in the recipient country to an adequate, nutritious, and stable food supply.

B. In the use of proceeds for these purposes emphasis will be placed on directly improving the lives of the poorest of the Egyptian people and their capacity to participate in the development of their country.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present agreement, done at Cairo, in duplicate, the day of 23 January 1984.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

By:
Name: Nicholas A. Veliotes
Title: American Ambassador

FOR THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

By:
Name: Dr. Wagih M. Shindy
Title: Minister of Investment Affairs and International Cooperation

IN ACKNOWLEDGEMENT OF the foregoing agreement, representatives of the implementing organizations have subscribed their names.

By:
Name: Dr. Youssef Wally
Title Minister of State for Agriculture and Food Security

By:
Name: Dr. Moustafa Kamel El Said
Title: Minister of Economy and Foreign Trade

By:
Name: Dr. Mohamed Nagi Shatla
Title: Minister of Supply and Home Trade

The American Ambassador to the Egyptian Minister of Investment and International Cooperation

EMBASSY OF THE
UNITED STATES OF AMERICA

Cairo, Egypt
April 19, 1984

Excellency:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments January 23, 1984, and to propose that the Agreement be amended as follows: In Part II, Particular Provisions, Item I, Commodity Table, on the line entitled "Wheat", under appropriate column headings delete "1,110,000 MT and $160.0" and insert "988,000 MT and $142.0". On the line entitled "Wheat Flour", under the appropriate column headings delete "435,000 MT and $90.0" and insert "535,000 MT and $108.0". All other terms and conditions of the Agreement remain the same.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note, together with your reply thereto, constitute agreement between our two Governments, effective on the date of your note in reply.

Accept, Excellency, the assurance of my highest consideration.

Nicholas A. Veliotes
Ambassador

His Excellency
Dr. Wagih Shindy
Minister for Investment Affairs
and International Cooperation
of the Arab Republic of Egypt
Cairo

The Egyptian Minister of Investment and International Cooperation to the American Ambassador

MINISTER OF INVESTMENT
AND
INTERNATIONAL COOPERATION

May 19, 1984

Dear Mr. Ambassador,

I have the honour to acknowledge receipt of your note of April 19, 1984, which reads as follows:

"Excellency,

I have the honour to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments Jan. 23, 1984, and to propose that the Agreement be amended as follows:

In Part II, Particular Provisions, Item I, Commodity Table, on the line entitled "Wheat", under appropriate column headings delete "1.110.000 MT and $ 160.0" and insert "988.000 MT and $ 142.0". On the line entitled "Wheat Flour" under the appropriate column headings delete "435.000 MT and $ 90.0" and insert "535.000 MT and $ 108.0". All other terms and conditions of the Agreement remain the same.

If the foregoing is acceptable to your Government, I have the honour to propose that this Note, together with your reply thereto, constitute agreement between our two Governments, effective on the date of your note in reply.

Accept, Excellency, the assurance of my highest consideration".

I have the honour to inform you that the terms of the foregoing Note are acceptable to the Government of the Arab Republic of Egypt and that the Government of the Arab Republic of Egypt considers your Note and the present reply as constituting an Agreement between our two Governments on this subject.

Sincerely,

Prof.Dr. WAGIH SHINDY

Mr. NICHALOS A. VELIOTES
Ambassador
Embassy of the United States of America
Cairo, Egypt

The American Under Secretary for International Affairs and Commodity Programs, Department of Agriculture to the Egyptian Ambassador

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

AUG 2 1984

His Excellency Dr. Ashraf A. Ghorbal
Ambassador of Egypt
2310 Decatur Place, N.W.
Washington, D.C. 20008

Dear Mr. Ambassador:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments January 23, 1984, as amended, and to propose that the Agreement be further amended as follows:

In Part II, Particular Provisions, Item I, Commodity Table, on the line entitled "Wheat" INSERT "/Wheat Flour" as to read "Wheat/Wheat Flour." All other terms and conditions of the agreement remain the same.

I propose that this letter and your letter in reply constitute an agreement between our two Governments effective the date of your letter in reply.

Please accept the assurance of my highest consideration.

Sincerely,

DANIEL G. AMSTUTZ
Under Secretary for International
Affairs and Commodity Programs

The Egyptian Minister for Economic and Commercial Affairs to the American Under Secretary for International Affairs and Commodity Programs, Department of Agriculture

Embassy of The
ARAB REPUBLIC OF EGYPT
Commercial and Economic Office

August 2, 1984

H.E. Mr. Daniel G. Amstutz
Under-Secretary for International Affairs
and Commodity Programs
United States Department of Agriculture
Washington, D.C.

Dear Mr. Amstutz:

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments January 23, 1984, and to propose that the Agreement be amended as follows:

In Part II, Particular Provisions, Item I, Commodity Table, on the line entitled "Wheat" INSERT "WHEAT FLOUR" as to read "WHEAT/WHEAT FLOUR". All other terms and conditions of the agreement remain the same.

I propose that your letter of August 2, 1984 and this reply constitute an agreement between our two Governments being effective from today.

Please accept the assurance of my highest consideration.

Sincerely,

N Sadek

Dr. Nabil Sadek,
Minister,
Economic & Commercial
Affairs.

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